

Adopted	Rejected
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## COMMITTEE REPORT

YES:	7
NO:	0

### MR. SPEAKER:

*Your Committee on* **Financial Institutions**, to which was referred House Bill 1525, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 24-9-4.5 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]:
- 5 **Chapter 4.5. Property Tax Disclosures for New Home**
- 6 **Construction**
- 7 **Sec. 1. This chapter applies to a home construction contract**
- 8 **entered into after June 30, 2007.**
- 9 **Sec. 2. As used in this chapter, "authority" refers to the Indiana**
- 10 **housing and community development authority created by**
- 11 **IC 5-20-1-3.**
- 12 **Sec. 3. As used in this chapter, "builder" has the meaning set**
- 13 **forth in IC 32-27-2-6.**
- 14 **Sec. 4. As used in this chapter, "home buyer" means a person**
- 15 **who enters into a home construction contract with a builder.**
- 16 **Sec. 5. As used in this chapter, "home construction contract"**

1 means a contract:

- 2 (1) that is entered into by a builder and a home buyer; and
- 3 (2) under which the builder agrees to construct a new home
- 4 that the home buyer will occupy:
- 5 (A) as a residence; and
- 6 (B) as the first occupant of the new home.

7 Sec. 6. As used in this chapter, "new home" means a new  
8 dwelling occupied for the first time after construction.

9 Sec. 7. As used in this chapter, "prospective home buyer" means  
10 a person who contemplates entering into a home construction  
11 contract with a builder.

12 Sec. 8. (a) A builder may not enter into a home construction  
13 contract with a prospective home buyer unless the builder first  
14 gives the prospective home buyer a written notice containing an  
15 estimate of the property taxes that:

- 16 (1) will be owed by the prospective home buyer with respect
- 17 to the new home that is the subject of the home construction
- 18 contract; and
- 19 (2) are based on an assessment of the new home made on the
- 20 first assessment date after the construction of the new home
- 21 is complete.

22 The estimate required by this section may not be based on an  
23 assessment of unimproved real estate.

24 (b) A builder shall give the notice required by subsection (a) on  
25 a form prescribed by the authority. The statement of the estimated  
26 property taxes described in subsection (a) must be made in at least  
27 sixteen (16) point font. The notice shall be signed in duplicate by  
28 both the builder and the prospective home buyer. The builder  
29 shall:

- 30 (1) give at least one (1) of the signed notices to the prospective
- 31 home buyer at the time of signing; and
- 32 (2) retain at least one (1) of the signed notices for the file
- 33 maintained in connection with the home construction
- 34 contract.

35 (c) The authority shall prescribe and make available to builders  
36 the form described in subsection (b) not later than June 1, 2007.

37 SECTION 2. IC 24-9-4.6 IS ADDED TO THE INDIANA CODE  
38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

1 UPON PASSAGE]:

2 **Chapter 4.6. Educational Materials for At Risk Home Buyers**

3 **Sec. 1. As used in this chapter, "at risk home buyer" means a**  
 4 **person who:**

5 **(1) has a credit score that is less than six hundred twenty**  
 6 **(620), as determined by one (1) or more consumer reporting**  
 7 **agencies (as defined in 15 U.S.C. 1681a(f)); and**  
 8 **(2) seeks to obtain a home loan from a creditor.**

9 **Sec. 2. As used in this chapter, "authority" refers to the Indiana**  
 10 **housing and community development authority created by**  
 11 **IC 5-20-1-3.**

12 **Sec. 3. As used in this chapter, "credit score" has the meaning**  
 13 **set forth in 15 U.S.C. 1681g(f)(2)(A).**

14 **Sec. 4. (a) As used in this chapter, "creditor" has the meaning**  
 15 **set forth in IC 24-9-2-6.**

16 **(b) The term includes a builder (as defined in IC 32-27-2-6) that**  
 17 **enters into a home loan with a borrower in Indiana.**

18 **Sec. 5. Not later than June 1, 2007, the authority shall prepare**  
 19 **and make available to creditors written home ownership**  
 20 **educational materials for use by at risk home buyers in Indiana.**

21 **Sec. 6. After June 30, 2007, a creditor may not enter into a home**  
 22 **loan with an at risk home buyer unless the creditor first gives the**  
 23 **at risk home buyer the educational materials prepared by the**  
 24 **authority under section 5 of this chapter. The at risk home buyer**  
 25 **shall sign a written acknowledgment that the at risk home buyer**  
 26 **has received the educational materials. The acknowledgment shall**  
 27 **be retained in the file maintained in connection with any home loan**  
 28 **issued to the at risk home buyer by or on behalf of the creditor.**

29 **SECTION 3. An emergency is declared for this act.**

(Reference is to HB 1525 as introduced.)

**and when so amended that said bill do pass.**

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Representative Bardon